

Registered no. 2386356

DREDGING U. K. LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003



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DREDGING U. K. LIMITED

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DREDGING U. K. LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2003 OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS: Mr P M Stephenson
Miss R Stephenson

SECRETARY: Miss R Stephenson

REGISTERED OFFICE: Able House
Billingham Reach Industrial Estate
Billingham
TS23 1PX

REGISTERED NUMBER: 2386356

ACCOUNTANTS: Vantis Walkers
New Exchange Buildings
Queens Square
Middlesbrough
TS2 1AA

DREDGING U. K. LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and the financial statements of the company for the year ended 31 December 2003.

Directors

The present directors are as shown on page 1. All served on the board throughout the year.

Directors' Interests

The interests of the directors in the shares of the company at the beginning and end of the year, were as follows:

| | Share Type | 31 December 2003 | 1 January 2003 |
|-------------------|------------|------------------|----------------|
| Mr P M Stephenson | Ordinary | 2,500 | 2,500 |
| Miss R Stephenson | Ordinary | - | - |

The ultimate parent company is Able UK Limited. The interests of the directors in the share capital of the parent company are disclosed in its directors' report.

Directors' Responsibilities

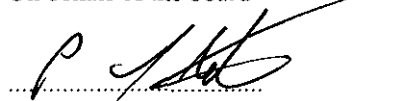
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Mr P M Stephenson - Director

Date: 26.3.04

DREDGING U. K. LIMITED

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF DREDGING U. K. LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2003, which comprise the profit and loss account, balance sheet and related notes 1 to 5, and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Vantis Walkers

.....
Vantis Walkers
New Exchange Buildings
Queens Square
Middlesbrough
TS2 1AA

Date: *10 May 2004*
.....

DREDGING U. K. LIMITED

BALANCE SHEET AT 31 DECEMBER 2003

| | Note | 2003 £ | 2002 £ |
|-----------------------------|------|---------------|---------------|
| CURRENT ASSETS | | | |
| Debtors | 2 | 10,000 | 10,000 |
| NET CURRENT ASSETS | | 10,000 | 10,000 |
| NET ASSETS | | <u>10,000</u> | <u>10,000</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 3 | 10,000 | 10,000 |
| SHAREHOLDERS' FUNDS | | <u>10,000</u> | <u>10,000</u> |

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

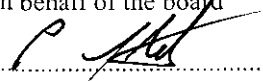
The directors acknowledge their responsibilities for:

- i ensuring that the company keeps accounting records which comply with section 221; and
- ii preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2003).

These financial statements were approved by the board on 26.3.04

On behalf of the board


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Mr P M Stephenson - Director

The annexed notes form part of these financial statements.

DREDGING U. K. LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 31 December 2003 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 December 2003 and of the results for the year ended on that date.

2. DEBTORS

| | 2003 £ | 2002 £ |
|-------------------------------|-----------|-----------|
| Amount owed by parent company | 10,000 | 10,000 |

3. SHARE CAPITAL

| | 2003 £ | 2002 £ |
|--|-----------|-----------|
| Authorised 10,000 ordinary shares of £1 each | 10,000 | 10,000 |
| Allotted, called up and fully paid 10,000 ordinary shares of £1 each | 10,000 | 10,000 |

4. RELATED PARTIES

Details of balances at the beginning and end of the year were as follows:

| Group companies | 2003 £ | 2002 £ |
|------------------------|-----------|-----------|
| Debtor | 10,000 | 10,000 |

5. PARENT UNDERTAKING

As in the previous year, the ultimate parent company is Able UK Limited, a company registered in Great Britain.